

EMERALD BAY SERVICE DISTRICT BOARD OF DIRECTORS
SPECIAL TELECONFERENCE MEETING PURSUANT TO GOVERNOR'S ORDER N 29-20
Wednesday, June 17, 2020

PRESENT: Susan Thomas, President
John Marconi, Vice President
James Flynn, Treasurer
Philip deCarion, Secretary
John McDermott, Director

ALSO, PRESENT: Michael Dunbar, General Manager
Allison Burns, Attorney, SYCR
Susan Olmstead-Bowen, Director of Finance
Cathy Lovitt, Recording Secretary, Member Services
Administrator
Toni Hughes, Community Association Manager
Victor Assad, Community Association president

CALL TO ORDER

The meeting was called to order via Zoom Teleconference at 5:30 p.m. by President Susan Thomas. The pledge of allegiance was not recited due to the meeting being held via teleconference.

CERTIFICATION OF POSTING

Susan Olmstead-Bowen stated the agenda for this meeting was posted on the Community bulletin board, at the Main Gate Guardhouse, on the District's website and the media was notified by 5:00 pm on June 10, 2020.

PUBLIC COMMENTS

None

MINUTES

The Board discussed the minutes of the Special Meeting of the Board of Directors held on April 15, 2020 and the Regular Meeting of the Board of Directors held on May 20, 2020 and approved the minutes as written.

John Marconi made a motion to approve the April 15, 2020 and May 20, 2020 minutes as written. The motion was seconded by Philip deCarion and passed unanimously.

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea
Vice President Marconi -- yea
Treasurer Flynn - yea
Secretary deCarion - yea
Director McDermott – yea

REVIEW OF FINANCIAL MATTERS

The Board discussed the financial reports as presented.

DEPOSITS

Total deposits for March were \$200,369.99

INVOICES FOR PAYMENT

Invoices for payment totaled \$221,753.46 for the period ending May 30, 2020

James Flynn made a motion to approve the invoices for payment for the period ending May 30, 2020 totaling \$221,753.46. The motion was seconded by John Marconi and unanimously approved.

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea
Vice President Marconi – yea
Treasurer Flynn - yea
Secretary deCarion - yea
Director McDermott – yea

ACTION ITEMS

1. Review of Preliminary Budget for Fiscal Year 2020/21.

Susan Thomas directed staff to publish the Notice of Public Hearing for the meeting at which the Board of Directors will consider adoption of the District's proposed annual budget as the District's final annual budget.

John McDermott made a motion to defer the approval of the Annual Budget to the August 19, 2020 Board meeting. The motion was seconded by John Marconi and unanimously approved.

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea
Vice President Marconi – yea
Treasurer Flynn - yea
Secretary deCarion - yea
Director McDermott – yea

2. Consideration of Additional Funding for Pool Lifeguards. Michael Dunbar reported that the Service District has historically funded the beach lifeguards and the July 4 fireworks. Director McDermott requested that the Board consider including funding for the pool lifeguards under the LAFCO defined Health and Safety Powers. Director McDermott proposed that this funding would be

reviewed on an annual basis as part of the District's budgeting process. Mr. Dunbar discussed this proposal with the Community Association Manager, Toni Hughes, and identified three different scenarios – 1) fund the pool lifeguards for the summer months of May through September at a cost of \$70,000, 2) fund the pool lifeguards for the calendar year, January through December at a cost of \$93,000, or 3) not provide funding.

John McDermott made a motion for the District to fund the pool lifeguards for the calendar year commencing July 1, 2020 in the amount of \$93,000 under the Health and Safety Powers of the District as defined by LAFCO. The motion was seconded by John Marconi and unanimously approved.

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea
Vice President Marconi – yea
Treasurer Flynn - yea
Secretary deCarion - yea
Director McDermott – yea

3. Approve the Fourth Amendment to the Professional Services Agreement with Susan Olmstead-Bowen in an amount not to exceed \$40,000. Michael Dunbar reported that he, John Marconi and Jim Flynn have worked very closely together with Susan Olmstead-Bowen and that she has been crucial in the development of the budget for the Service District for the last six years.

John McDermott made a motion to approve the Fourth Amendment to the Professional Services Agreement with Susan Olmstead-Bowen in an amount not-to-exceed \$40,000. The motion was seconded by Philip deCarion and unanimously approved.

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea
Vice President Marconi – yea
Treasurer Flynn - yea
Secretary deCarion - yea
Director McDermott – yea

4. Approve the Proposal from EideBailly for Auditing Services for F/Y 2019/20 in the Amount of \$16,500. Michael Dunbar reported that Vavrnik, Trine, Day and Co., LLP (VTD) was engaged to perform the District's audit beginning in 2018 for three years. The engagement agreement included a not-to-exceed fee of \$16,500 for fiscal years 2018/2019 and 2019/2020. EideBailly merged with VTD in 2018. Staff has been very pleased with their services and reviewed the engagement letter and finds it acceptable

John Marconi made a motion to approve the proposal from EideBailly for auditing services for F/Y 2019/2020 fiscal year in an amount not to exceed \$16,500. The motion was seconded by Philip deCarion and unanimously approved.

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea
Vice President Marconi – yea
Treasurer Flynn - yea
Secretary deCarion - yea
Director McDermott – yea

5. California Special Districts Association Board of Directors election for Seat C – Term 2021 – 2023.
Michael Dunbar reported that the California Special Districts Association (CSDA) has Seat C in the Southern Network up for election. Mr. Dunbar reported that he is familiar with all the candidates and has worked with many of them. Mr. Dunbar highly recommends Ms. Arlene Schafer.

John McDermott made a motion to authorize General Manager, Michael Dunbar, to cast the vote for Ms. Arlene Schafer in the CSDA Board of Directors election. The motion was seconded by Phil deCarion and unanimously approved.

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea
Vice President Marconi – yea
Treasurer Flynn - yea
Secretary deCarion - yea
Director McDermott – yea

CORRESPONDENCE

None.

AD HOC REPORTS

None

GENERAL MANAGER'S REPORT

Michael Dunbar reported his May 2020 activities to the Board of Directors. The directors commented that the restriping along Pacific Coast Highway is a great improvement both averting a safety issue and improving aesthetics.

DIRECTOR'S COMMENTS

The next Board meeting is scheduled for Wednesday, August 19, 2020 and will be held via Zoom teleconference.

ADJOURNMENT

The meeting was adjourned at 6:45 p.m.



Susan Thomas, President



Cathy Lovitt, Recording Secretary